

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JJF)
) (Jointly Administered)
)
Debtors.)

**SUMMARY OF THE SECOND QUARTERLY INTERIM VERIFIED
APPLICATION OF KIRKLAND & ELLIS FOR COMPENSATION FOR
SERVICES AND REIMBURSEMENT OF EXPENSES AS BANKRUPTCY
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE INTERIM PERIOD
FROM JULY 1, 2001 THROUGH SEPTEMBER 30, 2001**

Name of Applicant: Kirkland & Ellis

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in-Possession

Date of Retention: Retention Order entered May 3, 2001,
effective as of April 2, 2001.

Period for which compensation and
reimbursement is sought: July 1, 2001 through September 30,
2001

Amount of Compensation sought as actual,
reasonable, and necessary: \$1,474,016.60

This is a: ___ monthly x quarterly application.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 - 4/30/01	\$626,079.00	\$32,439.84	pending	pending
June 29, 2001	5/1 - 5/31/01	\$567,151.00	\$77,487.86	pending	pending
July 31, 2001	6/1 - 6/30/01	\$560,569.50	\$45,466.13	pending	pending
August 2, 2001	April-June, 2001	\$1,753,799.50	\$155,393.83	pending	pending
August 28, 2001	7/1-7/31/01	\$476,582.50	\$25,312.13	pending	pending
September 28, 2001	8/1-8/31/01	\$472,334.50	\$29,022.59	pending	pending
October 30, 2001	9/1-9/30/01	\$443,617.50	\$27,147.47	pending	pending

K&E has filed certificates of no objection with the Court with respect to the Applications for July and August 2001 because no objections were filed with the Court within the objection period.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:²

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation April 2 - June 30
Theodore L Freedman	Partner	29 Years	Bankruptcy	\$575.00	47.70	\$27,427.50
James H Sprayregen	Partner	17 Years	Bankruptcy	\$625.00	6.30	\$3,937.50
Bennett L Spiegel	Partner	17 Years	Bankruptcy	\$445.00	16.40	\$7,298.00
James W Kapp	Partner	8 Years	Bankruptcy	\$415.00	164.20	\$146,938.00
				\$425.00	185.40	
Janet Baer	Of Counsel	20 Years	Bankruptcy	\$495.00	88.80	\$168,651.00
				\$510.00	244.50	
Joseph U Schorer	Of Counsel	20 Years	Bankruptcy	\$495.00	1.00	\$495.00
Deanna D Boll	Associate	4 Years	Bankruptcy	\$360.00	34.60	\$12,456.00
Roger J Higgins	Associate	6 Years	Bankruptcy	\$320.00	76.10	\$24,352.00
Samuel A Schwartz	Associate	5 Years	Bankruptcy	\$360.00	465.80	\$167,688.00

² Any capitalized terms not defined herein have the meaning ascribed to them in the Second Quarterly Interim Verified Application of Kirkland & Ellis for Compensation for Services and Reimbursement of Expenses as Bankruptcy Counsel to W. R. Grace & Co., et al., for July 1, 2001 through September 30, 2001.

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation April 2 - June 30
Jacqueline H Sloan	Associate	7 Years	Bankruptcy	\$280.00	3.00	\$840.00
Ben Bates	Law Clerk	3 Months	Corporate/SEC/ Vent Cap	\$145.00	24.30	\$3,523.50
Beth Larsen	Law Clerk	3 Months	Corporate/SEC/ Vent Cap	\$145.00	32.40	\$4,698.00
Brian M Lutz	Law Clerk	3 Months	Corporate/SEC/ Vent Cap	\$145.00	8.30	\$1,203.50
Roger Rhoten	Law Clerk	3 Months	Corporate/SEC/ Vent Cap	\$145.00	13.80	\$2,001.00
Vicki V Hood	Partner	25 Years	Employee Benefits	\$510.00	0.60	\$306.00
Matthew J Antinossi	Associate	3 Years	Employee Benefits	\$295.00	2.80	\$826.00
Timothy S Hardy	Partner	30 Years	Environment/ Litigation	\$445.00	95.90	\$42,675.50
Mark E Grummer	Partner	26 Years	Environment/ Transactions	\$365.00	126.80	\$46,282.00
David A Codevilla	Associate	6 Years	Environment/ Transactions	\$340.00	19.20	\$6,528.00
R Timothy Stephenson	Partner	12 Years	Labor	\$350.00	6.30	\$2,205.00
David M Bernick	Partner	24 Years	Litigation	\$655.00	186.40	\$122,092.00
Michelle H Browdy	Partner	12 Years	Litigation	\$400.00	203.60	\$81,440.00
Reed S Oslan	Partner	15 Years	Litigation	\$445.00	32.80	\$14,596.00
Andrew R Running	Partner	20 Years	Litigation	\$470.00	165.10	\$77,597.00
Elli Leibenstein	Partner	10 Years	Litigation	\$355.00	6.60	\$2,343.00
Sarah R Marmor	Partner	9 Years	Litigation	\$350.00	50.30	\$17,605.00
Daryl L Joseffer	Partner	6 Years	Litigation	\$335.00	4.30	\$1,440.50
Christopher Sullivan	Partner	7 Years	Litigation	\$365.00	178.50	\$65,152.50
Brant W Bishop	Associate	6 Years	Litigation	\$350.00	5.40	\$1,890.00
Kellye L Fabian	Associate	2 Years	Litigation	\$230.00	208.70	\$48,001.00
Scott A McMillin	Associate	6 Years	Litigation	\$350.00	282.90	\$99,015.00
J Chad Mitchell	Associate	4 Years	Litigation	\$300.00	2.90	\$870.00
Douglas G Smith	Associate	6 Years	Litigation	\$330.00	1.00	\$330.00
P Renee Wicklund	Associate	4 Years	Litigation	\$300.00	56.50	\$16,950.00
Yvette Ney	Law Clerk	3 Months	Litigation	\$125.00	178.30	\$22,287.50

Name of Professional Person	Position with the applicant	Number of years as an attorney	Department	Hourly billing rate	Total billed hours	Total compensation April 2 - June 30
Robert T Buday	Partner	11 Years	Real Estate	\$410.00	1.00	\$410.00
Brian E Davis	Associate	4 Years	Real Estate	\$295.00	2.50	\$737.50
Sven T Nylén	Law Clerk	3 Months	Real Estate	\$140.00	37.30	\$5,222.00
Todd F Maynes	Partner	14 Years	Taxation	\$515.00	4.80	\$2,472.00
Thomas A Day	Associate	1 Year	Taxation	\$280.00	1.50	\$420.00
Natalie H Keller	Associate	5 Years	Taxation	\$385.00	56.30	\$21,675.50
Jonathan Goldstein	Law Clerk	3 Months	General	\$125.00	9.00	\$1,125.00

The paraprofessionals of K&E who rendered professional services in these cases during the

Fee Period are:

Name of Professional Person	Position with the applicant	Number of years in that position	Department	Hourly billing rate	Total billed hours	Total compensation April 2 - June 30
Elizabeth Cox Arnold	Legal Assistant	12 Years	Bankruptcy	\$150.00	0.70	\$105.00
Brigitte Windley	Legal Assistant	4 Years	Bankruptcy	\$150.00	23.30	\$15,089.00
				\$170.00	68.20	
David Delsignore	Project Assistant	1 Year	Bankruptcy	\$70.00	1.00	\$70.00
Jennifer McClintock	Project Assistant	4 Months	Bankruptcy	\$85.00	1.00	\$85.00
Sabrina Mitchell	Project Assistant	7 Months	Bankruptcy	\$70.00	62.60	\$12,941.50
				\$85.00	100.70	
Marcela Romero	Case Assistant	1 Year	Corporate/SEC/Vent Cap	\$65.00	0.80	\$52.00
Rebecca R Landau	Project Assistant	1 Year	Corporate/SEC/Vent Cap	\$90.00	31.00	\$2,790.00
Shirley A Pope	Legal Assistant	16 Years	Litigation	\$155.00	305.40	\$47,337.00
Kathy E Sorce	Legal Assistant	6 Years	Litigation	\$125.00	4.00	\$500.00
Kenneth Toth	Case Assistant	8 Years	Litigation	\$65.00	0.80	\$52.00
Benjamin J Alke	Project Assistant	2 Months	Litigation	\$70.00	180.90	\$12,663.00
Daniel Bennett	Project Assistant	2 Months	Litigation	\$70.00	117.00	\$8,190.00
Aaron Birnbaum	Project Assistant	1 Year	Litigation	\$70.00	50.00	\$3,500.00

Name of Professional Person	Position with the applicant	Number of years in that position	Department	Hourly billing rate	Total billed hours	Total compensation April 2 - June 30
Catherine Filippini	Project Assistant	7 Months	Litigation	\$70.00	40.60	\$2,842.00
Michael Stephensen	Project Assistant	7 Months	Litigation	\$70.00	44.00	\$3,080.00
Charisma J Starr	Administrative	8 Months	Litigation	\$100.00	4.30	\$430.00
Aaron P Heeringa	Technology Service	11 Months	Litigation	\$140.00	36.00	\$5,040.00
Susan Polk	Legal Assistant	16 Years	Taxation	\$180.00	9.00	\$1,620.00
Library Bibliographic Research				\$110.00	10.00	\$1,100.00
Library Business/Ind Research				\$110.00	8.00	\$880.00
Library Legislative Research				\$110.00	1.50	\$165.00

Grand Total for Fees: \$1,392,534.50
Blended Rate: \$313.58

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
16	Asset Analysis and Recovery	159.10	\$58,092.50
17	Automatic Stay Matters/Relief Proceeding	121.80	\$40,696.50
20	Case Administration	1,111.70	\$194,850.50
21	Claim Estimate, Objection and Resolution	580.00	\$232,724.50
22	Contested Matters/Adversary Proceedings	1,463.40	\$531,284.50
23	Corporate and Securities Matters	2.30	\$1,237.50
24	Creditors/Noteholders Committee	138.20	\$57,307.00
25	Creditors/Shareholders Inquiries	51.80	\$17,724.50
26	DIP Financing/Cash Collateral	11.10	\$4,703.50
27	Employee Matters	38.70	\$14,138.00
28	Environmental Issues	72.30	\$30,402.00
29	File, Docket, Calendar Maintenance	77.40	\$7,516.50
30	Hearings	64.70	\$27,858.00
31	Intellectual Property	0.90	\$340.50
32	K&E Fee Application, Preparation of	115.50	\$23,078.50
33	Lease Rejection Claims	59.20	\$22,060.00
34	Lien Issues	5.20	\$1,857.00
35	Other Fee Applications	19.60	\$7,953.50
36	Reclamation Claims	40.80	\$14,328.50
37	Reorganization Plan/Disclosure Statement	15.10	\$5,533.00
38	Retention of Professionals/Fees	86.90	\$33,010.00
39	Schedules/Statement of Financial Affairs	37.40	\$14,634.00
41	Tax Matters	5.60	\$2,107.00
42	Travel	31.40	\$16,998.00
43	Use, Sale or Lease/Abandonment Property	2.60	\$1,625.00
44	U.S. Trustee	3.60	\$1,348.00
45	Utilities	9.80	\$3,607.50
46	IRS Tax Litigation	114.60	\$25,518.50

Expense Summary

<u>Description</u>	<u>Amount</u>
Telephone	\$8,465.08
Facsimile Charges	\$1,599.83
Standard Copies	\$6,499.75
Binding	\$159.25
Tabs/Indexes/Dividers	\$123.70
Color Transparencies	\$6.00
Color Copies	\$111.00
Postage	\$129.75
Overnight Delivery	\$1,958.81
Overnight Delivery - Refund	(\$7.44)
Outside Messenger Services	\$452.05
Local Transportation	\$48.37
Travel Expense	\$5,747.02
Airfare	\$22,189.70
Travel to/from Airport	\$2,312.81
Travel Meals	\$726.66
Other Travel Expenses	\$45.50
Court Reporter Fee/Deposition	\$1,001.75
Appearance Fees	\$50.00
Calendar/Court Services	\$65.00
Outside Copy/Binding Service	\$1,751.76
Working Meals/K&E and Others	\$1,384.87
Information Broker Services	\$6,253.20
Library Document Procurement	\$155.86
Computer Database Research	\$15,571.64
Overtime Transportation	\$410.80
Overtime Meals	\$81.00
Overtime Meals- Attorney	\$251.40
Secretarial Overtime	\$3,929.07
Total	\$81,482.19